

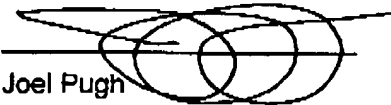
5. It is my understanding from the Office action relating to the application, dated October 23 2002, that the Examiner questions whether within the industry, a central distribution box had to have a central distribution computer at the time of the application.

6. In fact, at the time of the application, it was well known that a central distribution box is the termination point within a facility for outside signals. In a non-pay-per-view situation, such as a facility where all the rooms receive the same signals, a central distribution box would not necessarily have to have a computer because the signals could just be amplified and distributed to each room. However, in a facility with multiple rooms having a pay-per-view system, there must be a determination as to which signals (such as premium movies) will be sent to each room. Such a system must also have a way of tracking the signals so that billing can occur. This distribution and tracking is impossible unless the central distribution box has a central distribution computer to integrate automated billing and cause specific programming to be activated in specific rooms. Thus within the industry, the term "central distribution box" always referred to a headend with a distribution computer where signal distribution is other than distributed to all room sets without distinction.

7. In the context of the patent application, the Specification clearly indicates that the invention deals with pay-per-view systems. There are numerous references throughout the specification regarding paying for amenities, which include movies. (Patent No. 5,323,448, col. 5, line 15). It is also my understanding that the claims are limited to pay-per-view systems. Thus, I believe the specification and claims are limited to pay-per-view systems.

8. Furthermore, I declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application or document or any patent issuing therefrom.

FURTHER the Affiant says not.


Joel Pugh

The above signature was executed before me, a notary duly authorized to administer oaths,
before me this 3rd day of March, 2003.

Name of notary ss.

Signature Amy M. McBee

Location Dallas, TX

My Commission expires 10-18-03

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